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SHC-16196
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29 May 1957

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NO CHANGE IN CLASS.
DECLASSIFIED
CLASS. CHANGED TO: TS S C
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DATE: 10/2/82 REVIEWER: 032160

Lockheed Aircraft Corporation
Burbank
California

Dear Hal:

A situation has come to my attention in connection with Contract No. SP-1913 which could very possibly result in a duplication of payment by the Government. As you will recall, prior to the month of June, 1956, the telephone operated by this project, identified by Exchange No. POplar 1-9418, was billed to Lockheed, was paid by them, and no doubt the costs involved were accumulated under Contract SP-1913.

Effective in June, 1956, the payment process was changed slightly whereby the telephone company continued to bill Lockheed who, in turn, gave a photostat of the bill to a representative of this activity and received payment from a petty cash account. The monthly payments and amounts involved from the month of June, 1956, through March, 1957, follows:

Month of June 1956	$ 114.81
Month of July 1956	129.92
Month of August 1956	190.95
Month of September 1956	185.95
Month of October 1956	132.10
Month of November 1956	160.80
Month of December 1956	155.96
Month of January 1957	146.42
Month of February 1957	149.93
Month of March 1957	151.75
	$1,478.59

In view of the above, I shall appreciate your courtesy in examining into the accounts pertaining to this telephone cost and advising me if the costs when originally paid to the telephone company are accumulated under the contract and, if so, were the monies received through the petty cash account covering the period June, 1956, through March, 1957, appropriately credited to the expenses that may have accumulated under the contract. This change in process, as you can readily see, could, quite understandably, result in duplication of accrued costs and payments unless all personnel were very careful in following through with the changed system of process.

Very truly yours,

Doug

Distribution:
0 & 1 - Addressee
3 - [redacted]
4 - Contracting Officer
5 - SP-1913
6 - Reading (Fin)
7 - Chrono

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